

ONLINE APPENDIXES

# 5

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## **Status report on Part D**

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ONLINE APPENDIX

# 5-A

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**TABLE  
5-A1****Characteristics of Part D enrollees, 2007**

	All Medicare	Part D	Plan type		Subsidy status	
			PDP	MA-PD	LIS	Non-LIS
Beneficiaries* (in millions)	46.5	26.1	18.3	7.8	10.4	15.7
Percent of all Medicare	100%	56%	39%	17%	22%	34%
Gender						
Male	44%	40%	39%	43%	38%	41%
Female	56	60	61	57	62	59
Race/ethnicity						
White, non-Hispanic	78%	74%	76%	71%	59%	84%
African American, non-Hispanic	10	11	12	10	20	6
Hispanic	8	10	8	14	14	7
Asian	2	3	3	3	5	2
Other	2	2	2	1	2	1
Age						
<65	21%	23%	26%	16%	40%	12%
65–69	22	21	19	23	14	25
70–74	18	18	16	21	13	21
75–79	16	15	15	18	12	18
80+	23	23	23	22	21	24

Note: PDP (prescription drug plan), MA-PD (Medicare Advantage–Prescription Drug [plan]), LIS (low-income subsidy). Totals may not sum to 100 percent due to rounding.

\*Figures for Medicare and Part D include all beneficiaries with at least one month of enrollment in respective programs. A beneficiary is classified as LIS if that individual received Part D's LIS at some point during the year. If a beneficiary was enrolled in both PDP and MA-PD plans during the year, that individual is classified to the type of plan with the greatest number of months of enrollment.

Source: MedPAC analysis of Medicare Part D denominator and enrollment files from CMS.

**TABLE  
5-A2****Number of PDPs qualifying as premium-free to LIS enrollees remains steady for 2010**

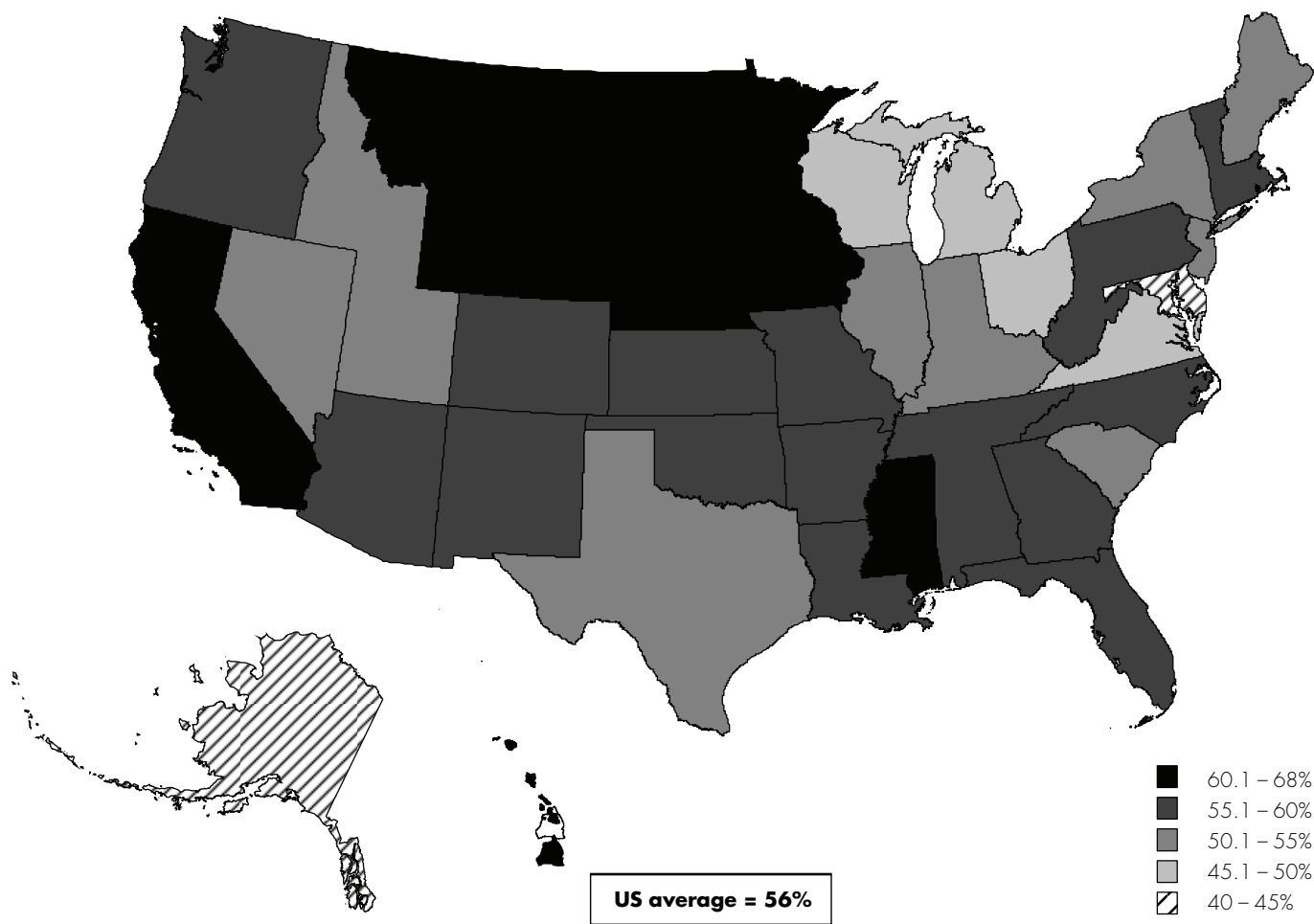
PDP region	State(s)	LIS monthly premium subsidy			Number of qualifying PDPs		
		2009	2010	Difference	2009	2010	Difference
1	ME, NH	\$28	\$27	-\$1	5	4	-1
2	CT, MA, RI, VT	32	35	3	12	13	1
3	NY	28	33	6	9	11	2
4	NJ	31	35	4	7	6	-1
5	DE, DC, MD	31	34	3	11	11	0
6	PA, WV	29	32	3	9	11	2
7	VA	32	34	2	13	11	-2
8	NC	33	35	1	11	8	-3
9	SC	32	35	3	15	13	-2
10	GA	29	30	0	11	8	-3
11	FL	21	27	5	5	5	0
12	AL, TN	30	31	1	12	9	-3
13	MI	32	35	3	11	9	-2
14	OH	28	30	2	6	5	-1
15	IN, KY	34	36	2	12	9	-3
16	WI	38	38	0	16	10	-6
17	IL	30	32	1	12	10	-2
18	MO	32	40	8	6	13	7
19	AR	27	28	2	12	15	3
20	MS	32	33	1	13	10	-3
21	LA	27	31	4	7	13	6
22	TX	25	28	2	14	11	-3
23	OK	29	32	3	8	10	2
24	KS	34	36	2	10	9	-1
25	IA, MN, MT, NE, ND, SD, WY	33	38	4	9	8	-1
26	NM	21	21	1	7	8	1
27	CO	30	31	1	8	6	-2
28	AZ	16	25	9	2	8	6
29	NV	20	27	7	1	5	4
30	OR, WA	32	36	4	7	9	2
31	ID, UT	37	41	3	9	9	0
32	CA	25	29	4	6	7	1
33	HI	25	26	1	5	7	2
34	AK	36	38	2	7	6	-1
Total		N/A	N/A	N/A	308	307	-1

Note: PDP (prescription drug plan), LIS (low-income subsidy), N/A (not applicable).

Source: MedPAC based on CMS 2010 PDP landscape file.

**FIGURE  
5-A1**

**Share of Medicare beneficiaries enrolled in Part D by region, 2007**

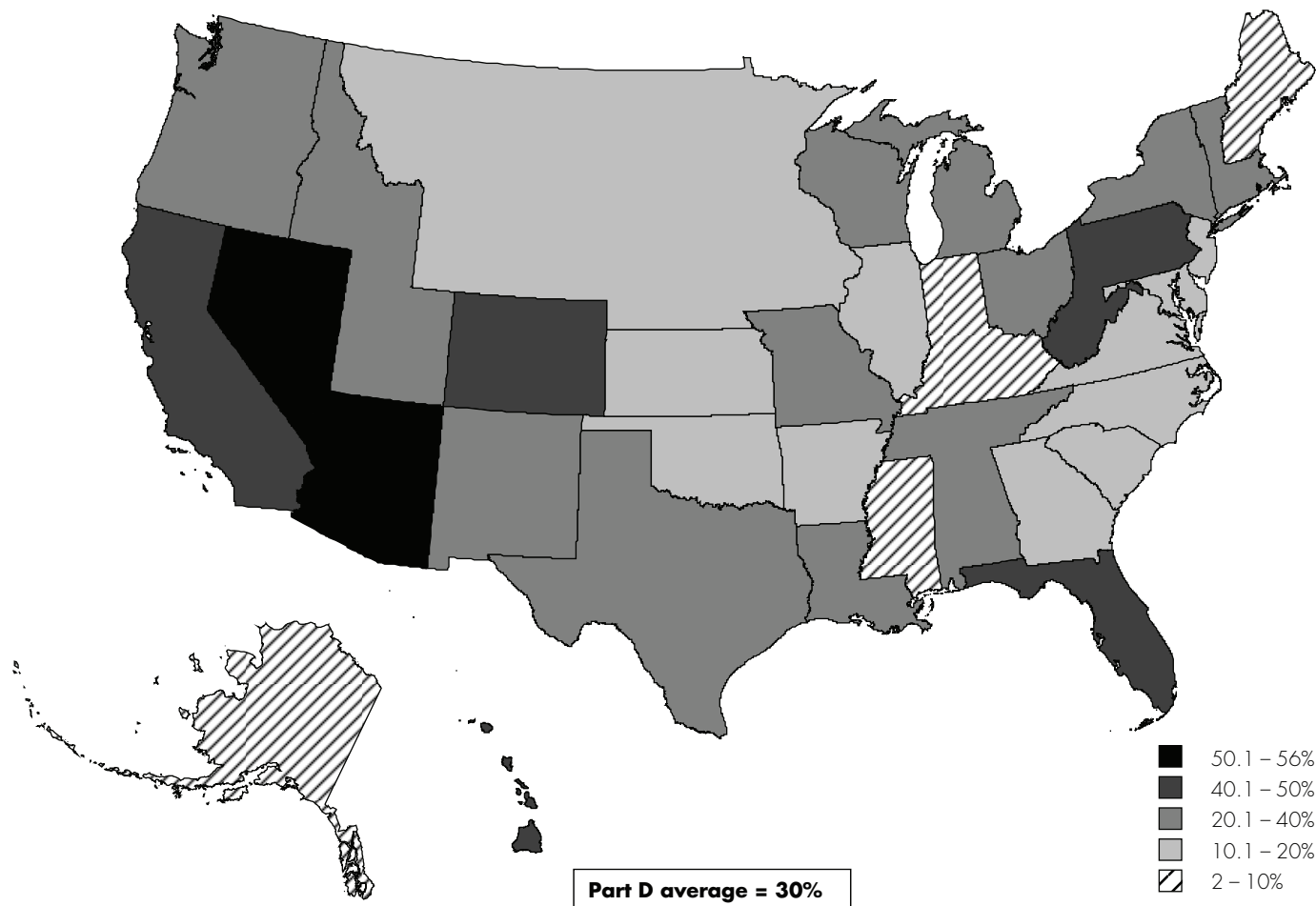


Note: Definition of region based on prescription drug plan regions used in Part D.

Source: MedPAC analysis of Part D enrollment data from CMS.

**FIGURE  
5-A2**

**Share of Part D enrollees in MA-PDs by region, 2007**

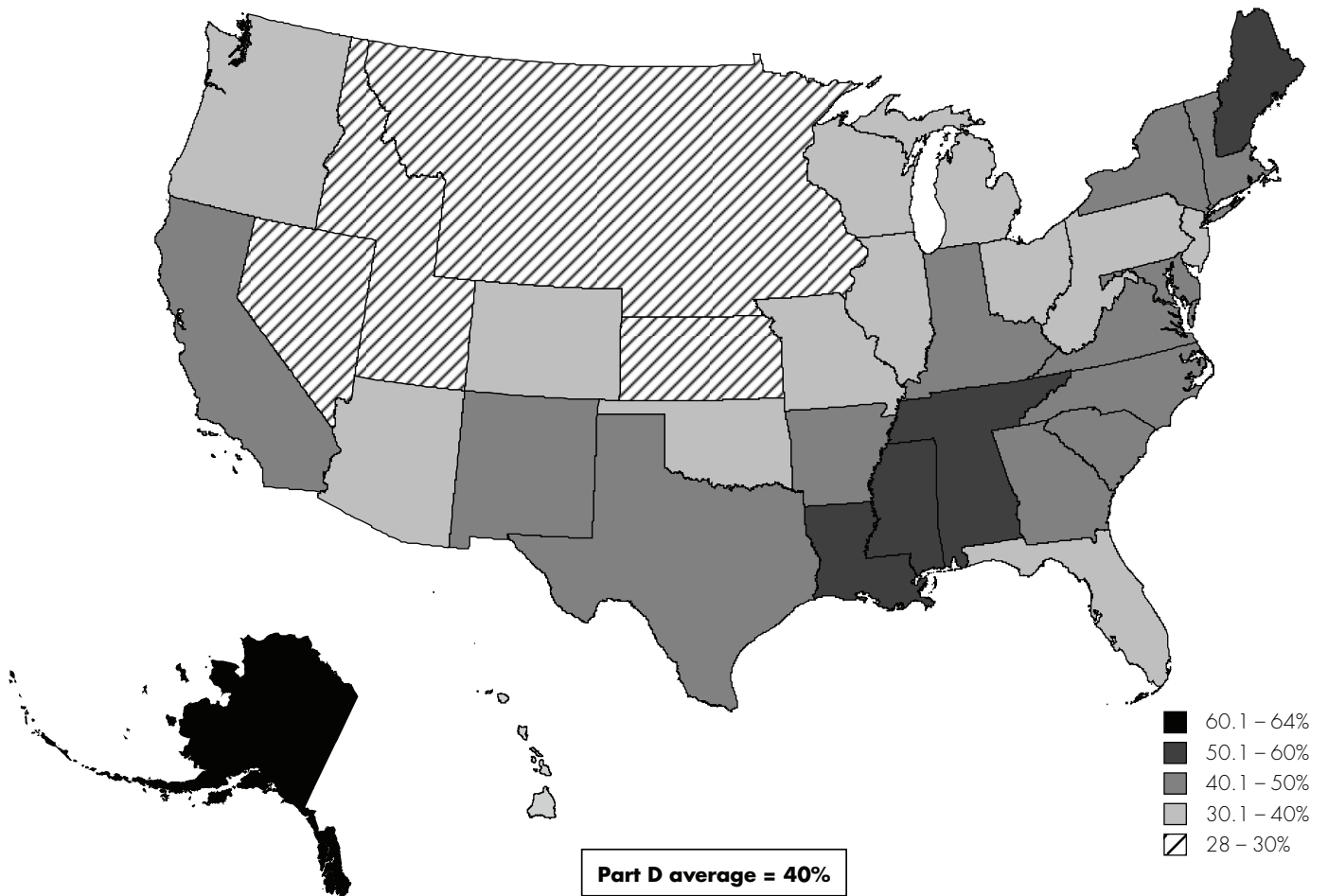


Note: MA-PD (Medicare Advantage–Prescription Drug [plan]). Definition of region based on prescription drug plan regions used in Part D.

Source: MedPAC analysis of Medicare Part D enrollment data from CMS.

**FIGURE  
5-A3**

**Share of Part D enrollees receiving the low-income subsidy by region, 2007**

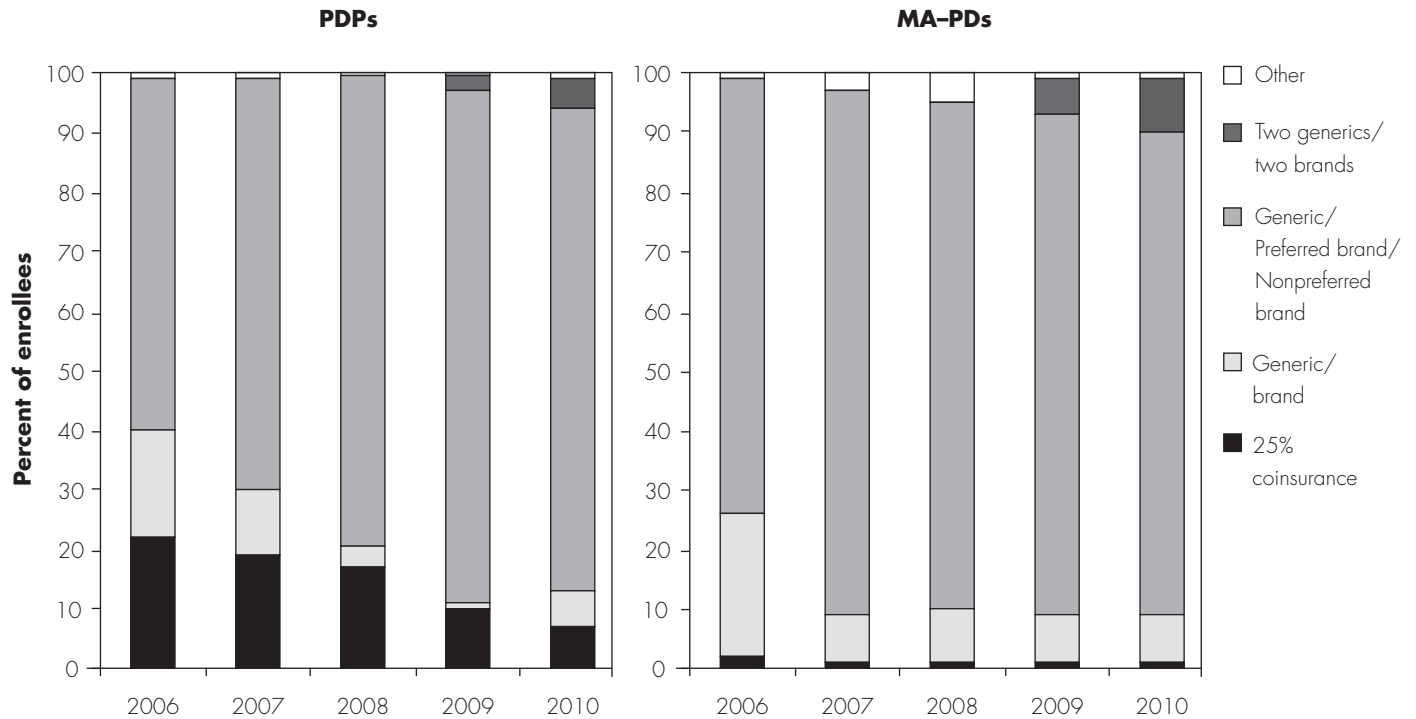


Note: Definition of region based on prescription drug plan regions used in Part D.

Source: MedPAC analysis of Medicare Part D enrollment data from CMS.

**FIGURE  
5-A4**

**Most enrollees are in plans with formularies that use cost-sharing tiers for generics, preferred brand-name drugs, and nonpreferred brands**



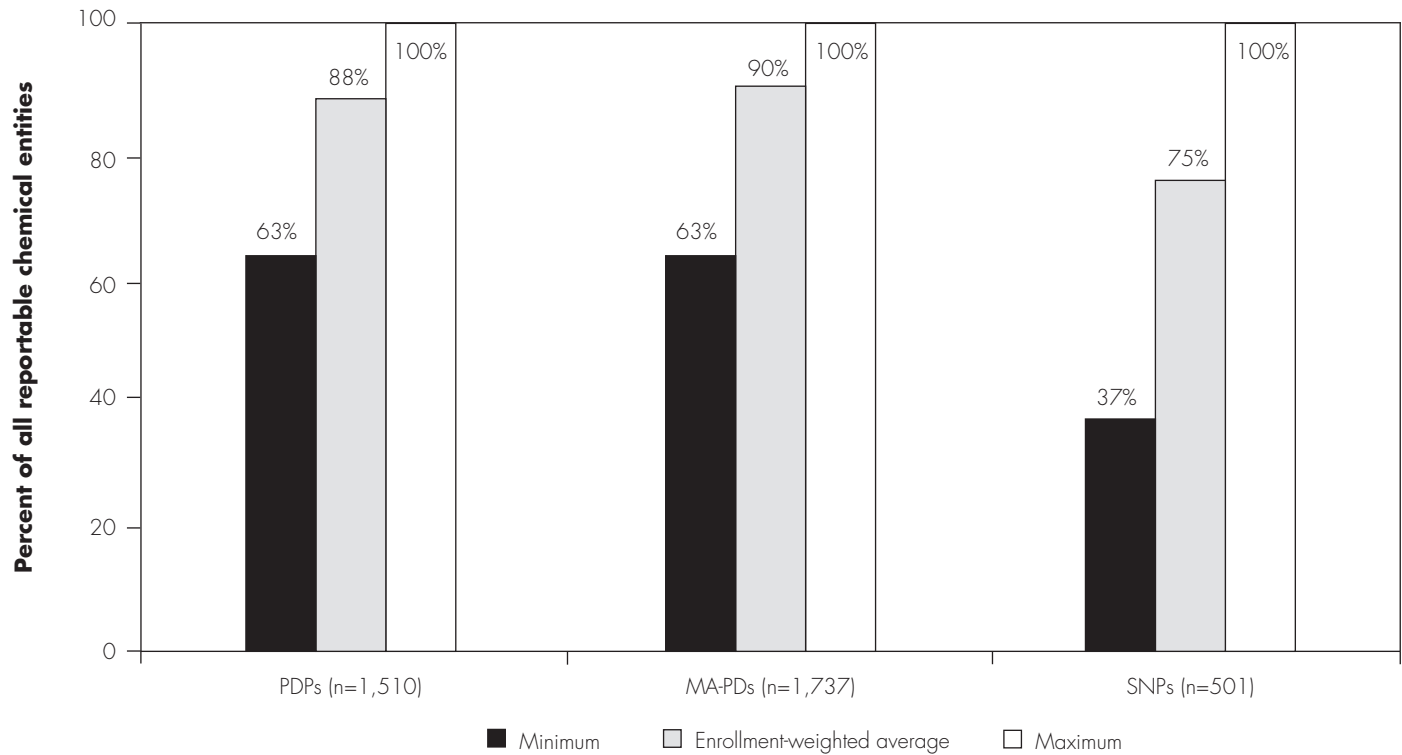
Note: PDP (prescription drug plan), MA-PD (Medicare Advantage-Prescription Drug [plan]). In addition, most plans use a specialty tier for high-priced drugs and biologics. Formularies for 2010 are weighted by 2009 enrollment.

Source: NORC, Georgetown University, and Social and Scientific Systems analysis for MedPAC of formularies submitted to CMS and Part D enrollment data.



**FIGURE  
5-A5**

**In 2010, the typical Part D enrollee is in a plan with a  
formulary that lists a broad number of drugs**



Note: PDP (prescription drug plan), MA-PD (Medicare Advantage-Prescription Drug [plan], SNP (special needs plan). Percent of all chemical entities on the 2010 CMS formulary reference file, weighted by 2009 enrollment. n refers to number of plans.

Source: NORC, Georgetown University, and Social and Scientific Systems analysis for MedPAC of formularies submitted to CMS and Part D enrollment data.

**TABLE  
5-A3****Average prospective monthly payments per enrollee for basic coverage**

	Amounts used as the basis for prospective payments					Fully enrollment-weighted amounts			
	2006 <sup>a</sup>	2007 <sup>b</sup>	2008 <sup>c</sup>	2009 <sup>d</sup>	2010 <sup>d</sup>	2007	2008	2009	2010
Amounts in dollars									
National average monthly bid									
Base beneficiary premium	\$32.20	\$27.35	\$27.93	\$30.36	\$31.94	\$26.23	\$27.28	\$30.36	\$31.94
Monthly payment to sponsors	60.10	53.08	52.59	53.97	56.39	50.36	52.02	53.97	56.39
Subtotal	92.30	80.43	80.52	84.33	88.33	76.59	79.30	84.33	88.33
Expected individual reinsurance	33.98	26.82	29.01	34.73	36.92	26.27	27.68	34.73	36.92
Total average benefit cost	126.28	107.25	109.53	119.06	125.25	102.86	106.98	119.06	125.25
Annual percent change									
National average monthly bid									
Base beneficiary premium	N/A	-15%	2%	9%	5%	-19%	4%	11%	5%
Monthly payment to sponsors	N/A	-12	-1	3	4	-16	3	4	4
Subtotal	N/A	-13	0	5	5	-17	4	6	5
Expected individual reinsurance	N/A	-21	8	20	6	-23	5	25	6
Total average benefit cost	N/A	-15	2	9	5	-19	4	11	5

Note: N/A (not applicable). These amounts reflect averages based on bids to provide basic Part D benefits; they do not net out subsequent reconciliation amounts with CMS. They were calculated from bids by plans to provide the defined standard benefit or actuarially equivalent basic benefits as well as the portion of enhanced Part D coverage attributable to basic benefits. Enrollees in plans with enhanced coverage must pay the full price of benefits that supplement basic coverage. The combination of monthly payments to plans and expected payments for individual reinsurance make up 74.5 percent of total average monthly benefit costs.

a. Part D began in 2006 and Medicare law directed CMS to weight the bids of stand-alone drug plans equally (with an aggregate weight representing enrollment in traditional Medicare) and weight bids from Medicare Advantage (MA) drug plans by their prior year MA enrollment.

b. CMS used its general demonstration authority to calculate these values using 20 percent enrollment weighting and 80 percent weighting as in the 2006 approach.

c. CMS used its general demonstration authority to calculate these values using 60 percent enrollment weighting and 40 percent weighting as in the 2006 approach.

d. Bids are fully weighted by prior year enrollment as called for by law.

Source: MedPAC based on CMS releases of Part D national average monthly bid amounts and base beneficiary premiums for 2006 through 2010 as well as other data provided by CMS.

**TABLE  
5-A4****Current performance metrics for Part D plans on [www.medicare.gov](http://www.medicare.gov)**

Domain	Measure
Drug plan customer service	Time on hold when customer calls drug plan
	Time on hold when pharmacist calls drug plan
	Accuracy of information members get when they call the drug plan
	Availability of TTY/TDD services and foreign language interpretation when members call the drug plan
	Drug plan's timeliness in giving a decision for members who make an appeal (for every 10,000 members)
	Fairness of drug plan's denials to a member's appeal, based on an independent reviewer
	Drug plan provides pharmacists with up-to-date and complete enrollment information about plan members
Member complaints	Complaints about joining and leaving the drug plan (for every 1,000 members)
	All other complaints about the drug plan (for every 1,000 members)
	Members choosing to leave the drug plan (lower percentages are better)
	Seriousness of problems Medicare found during an audit of the drug plan (on a scale from 0 to 100; lower numbers are better)
Member experience	Drug plan provides information or help when members need it
	Members' overall rating of drug plan
	Members' ability to get prescriptions filled easily when using the drug plan
Drug pricing and patient safety	Completeness of the drug plan's information on members who need extra help
	Drug plan prices that do not increase more than expected during the year
	Drug plan prices on Medicare's website are similar to the prices members pay at the pharmacy
	Drug plan members 65 or older who receive prescriptions for certain drugs with a high risk of side effects when there may be safer drug choices
	Using the kind of blood pressure medication that is recommended for people with diabetes

Note: TTY (text telephone), TDD (telecommunication device for the deaf).

Source: CMS Part D performance data.